ARTICLE APPEARED
ON PAGE A-

NEW YORK TIMES 21 August 1984

Shultz Says 'the Tide of History' Is Running Against Soviet System

By BERNARD GWERTZMAN Special to The New York Times

WASHINGTON, Aug. 20 — Secretary of State George P. Shultz, asserting that "the tide of history is with us," said today that he was confident that freedom would someday be restored to the Soviet-dominated countries of Eastern Europe.

In a speech to the annual convention of the Veterans of Foreign Wars in Chicago, Mr. Shultz echoed a theme struck by President Reagan on Friday opposing the "subjugation" of Eastern Europe. On Saturday Tass, the Soviet press agency, accused Mr. Reagan of challenging "the postwar political setup in Europe."

The text of the speech was issued here in advance of its delivery tonight. Mr. Shultz was to receive the Dwight David Eisenhower Distinguished Service Award at the convention.

Mr. Shultz's remarks, which coincided with the opening of the Republican National Convention in Dallas, seemed to represent part of an Administration effort to portray American foreign policy as dynamic and the Soviet Union's as faltering in the face of American firmness.

In the speech, Mr. Shultz extolled the value of a strong military as a prerequisite for an effective diplomacy.

"As your Secretary of State, I can tell you from experience that no diplomacy can succeed in an environment of fear or from a position of weakness," he said.

'Our Policies Are Working'

"We know, as surely as we know anything, that negotiations and diplomacy not backed by strength are ineffectual at best, dangerous at worst," he said.

At the same time, he said, it was important to have patience in the conduct of foreign policy and not to expect overnight changes.

"Our policies are working," Mr. Shultz said. "Gradually, but inevitably, Communist aggression is losing the contest" in Central America and in other parts of the world.

"The tide of history is with us," he declared. "The values that Americans cherish, democratic freedom, peace and the hope of prosperity, are taking root all around the world."

He said that in Europe the "solidarity of democratic nations endures" and that the bonds among the allies "are strong and secure."

"Our shared moral values and political principles have made NATO the keeper of the peace for 35 years," he said, "and will continue to do so into the next century and beyond."

In contrast, he said, the Soviet alliance was in trouble.

"If there is weakness in Europe, it is within the Soviet empire," Mr. Shultz said. "The yearning for democracy and freedom in the countries of Eastern Europe is a powerful and growing force. We have seen it in recent years among the brave people of Poland, as we saw it in Czechoslovakia in 1968, in Hungary in 1956 and East Germany in 1953."

These were references to the martial law imposed in Poland in December 1981, the Soviet-led invasion of Czechoslovakia in August 1968 to end the liberal policies being followed by that country's Communist Party leadership, the invasion of Hungary by Soviet troops in October 1956 to cut short an effort to establish a more independent Communist state there, and the putting down by Soviet tank units of demonstrations in East Berlin in June 1953.

"We will never accept the idea of a divided Europe," he said. "Time is not on the side of imperial domination. We may not see freedom in Eastern Europe in our lifetime. Our children may not see it in theirs. But someday it will happen. The world's future is a future of freedom."

His comment about not accepting "a divided Europe" was consistent with Mr. Reagan's remarks before a Polish-American group on Friday. But both men's speeches raised questions anew about American policy toward the postwar separation of Europe between East and West. The most significant division is in Central Europe where the Soviet Union and its wartime Western allies were unable to agree on a formula for a united Germany and the postwar occupation zones were eventually transformed into two independent German states, each attached to the opposing camp.

After refusing for years to accept formally the existence of East Germany, the Bonn Government and the United States both recognized East Germany

diplomatically in the early 1970's and were among the states in 1976 that signed the Helsinki agreement that ruled out any change by force in the postwar borders in Europe. West Germany has insisted that it has not given up its hope of eventual unification with East Germany, but that this can only be achieved through peaceful means.

No U.S. 'Liberation' Scheme

State Department officials said today that the United States remained committed to the Helsinki accords, and the Administration has no plan to embark on a "liberation" scheme in Eastern Europe.

Rather, one senior official said, the Administration wants to continue to make the point that in its view repression cannot last forever, and that eventually, freedom will prevail.

The division of Europe into East and West has been a major source of contention since World War II.

The height of what was known as the cold war occurred in March 1948 when Czechoslovak Communists, backed by Moscow, staged a coup in Prague, in effect bringing to an end the last democratic government in that part of the world. That led, in part, to the creation of the North Atlantic Treaty Organization, and the subsequent creation of the Warsaw Pact.

Election of Eisenhower

President Eisenhower was elected in 1952, after having campaigned in part on a pledge of "rolling back" Communism. The Central Intelligence Agency created Radio Free Europe and Radio Liberty to broadcast to the countries of the region.

But after the abortive Hungarian revolution in 1956, there was less talk about the possibility of change in Eastern Europe. Subsequent administrations have all taken the position that while the United States deplored the conditions in Eastern Europe, they could not do anything to challenge Soviet hegemony, because of concern about starting a third world war. The Kennedy Administration was deeply concerned over East Germany's erection of a wall between East and West Berlin, beginning in August 1961, which further dramatized the division of Europe, but decided not to take action to tear it down.

President Johnson, advocating a policy of gradual change in Eastern Europe, enunciated a policy of "building bridges" to the countries of the region, by which relations would improve with those countries that seemed more independent of Moscow or more liberal internally. Rumania, which has followed an independent foreign policy since the mid-1960's, benefited from this policy, as had Poland until the martial-law crackdown in 1981, and more recently Hungary.

Continued